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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20054


In the Matter of)
Closed Captioning and Video) MM Docket 95-176
Description of Video Programming)

TO: The Commission

Response and
Comments of

CAPTION COLORADO, INC.
Denver, Colorado

CAPTION COLORADO, INC.
475 Seventeenth Street, Suite 450
Denver, Colorado 80202
(303) 295-3376



William M. Senske
President

March 28, 1996

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Summary

Caption Colorado, Inc. has been providing television stations with realtime closed captioning since 1990. Caption Colorado, Inc. pioneered the technology of delivering realtime closed captioning from off-site. Our innovative approach utilizes telephone lines to obtain audio programming and deliver encoded caption effectively reducing the price of captioning from the \$600 per hour previous industry standard to our current price of \$120 per hour.

- Captioning of any type is provided by more than 80% of all stations.
- Approximately 50 stations in the U.S. provide realtime closed captioning for local programming.
- Realtime closed captioning is sponsored more often than newsroom computer-generated captioning.
- The cost of realtime closed captioning is covered by sponsors approximately 92% of the time.
- Realtime closed captioning costs \$50-\$60 per half hour of news.
- 100% of the Deaf community follows the news station with realtime captioning.
- Adequate court reporters are available to meet the closed captioning needs of all stations.
- Only stations with realtime captioning capability can provide adequate emergency information for the Deaf.

Therefore, Caption Colorado encourages the Chairman to adopt realtime closed captioning as the only acceptable standard for news and local live programming.

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CAPTION COLORADO, INC., Denver, Colorado

Caption Colorado, Inc. is a Denver, Colorado based provider of realtime closed captioning. We currently service 24 television stations nationwide. Caption Colorado, Inc., a Division of Attorneys Service Center, Inc., began captioning in 1990 as a public service for a local Denver television station. Caption Colorado, Inc. pioneered the use of realtime in local news closed captioning. We created an innovative approach which obtains television audio programming and delivers encoded captions through telephone lines, effectively reducing the price of realtime closed captioning from \$600 - \$700 per hour, previously the industry standard, to our price of \$120 per hour.

These comments are in response to the National Association of Broadcasters comments to The Commission which minimize the need for closed captioning. We endorse the comments of Technology Assessment Program, Gallaudet University and the National Association of the Deaf (NAD) which strongly urge the adoption of standards for quality, features and standards for closed captioning.

Usage of Closed Captioning

Our survey indicates that less than 50 stations use realtime to close caption local news. We surveyed 1,280 U.S. television stations in March 1996, via facsimile transmission, about their usage of closed captioning¹. The survey gathered statistics regarding the total number of broadcast hours for Local Live News, Live Public Affairs Programming and other types of Programming, both live and produced to tape. Of those contacted, 6% or 80 stations responded.

Survey Results

The average total number of hours of programming per week of Local Live News was reported as 12.3 hours per week. This average much more closely matches our experiential data than the 20+ hours reported by the NAB-conducted survey². Of that total, 77% or 9.5 hours per week was captioned using newsroom computer-generated captioning. Of those stations using realtime closed captioning, an average of 8.5 hours of Local Live News per week are reported. Of the Live Public Affairs Programming, an average of approximately 15 minutes per station per week were produced in total and only 1.8 minutes per week were captioned. Virtually none was captioned in this programming category because usually these programs are non-scripted and consist of groups of people talking live about local issues. The results of this survey show that, with the exception of Local Live News, there is not a significant amount of closed captioning being offered³.

¹ See Appendix A - Caption Colorado, Inc. Survey.

² Fratrack, "The Television Industry's Provision of Closed Captioning Services in 1996," National Association of Broadcasters (March 15, 1996).

³ Survey results are tabulated in Appendix A.

Although survey respondents reported an average of 71.5% of total news coverage in newsroom computer-generated closed captioning, our observation is that only approximately 30% of what is said during a Local Live News broadcast is prescribed and therefore captioned using newsroom computer-generated captioning. Notably, anchor ad-libbing, voice on tape, live shots, weather and sports are not usually pre-scripted or transcribed on captions. The ease of generation and relative low cost of computer-generated captioning has lulled some station managers into thinking that the product is satisfactory and that computer-generated captions are far better than what they actually are. At the same time, we must add that some responsible stations are typing all voice on tape and requiring sportscasters to write a script. A few stations even have a weather synopsis that they roll on the teleprompter during the weather. Caption Colorado speculates that this professional approach to newsroom captioning could actually cost more than our realtime service.

Closed Caption Costs

At present Caption Colorado charges between \$50 and \$60 per half hour for realtime closed captioning. Caption Colorado, Inc. also has experience in providing realtime closed captioning for sporting events with charges starting at \$250 per game.

While our survey indicates that 9% of those who provide newsroom computer-generated captioning have obtained corporate sponsorship, 83% of those stations which offer realtime captioning have obtained corporate sponsorship. The majority of our clients have found corporate sponsorship to offset or fully cover the cost of their closed captioning..

With captioning rates as low as \$50-60 per half hour, one 30 second commercial spot can generate between \$180 and \$3000 and can cover the cost of closed captioning for an entire

newscast in most markets. At most realtime stations, a 10 second banner at the end of every news broadcast is sold for the cost of captioning or more. Our belief is that realtime closed captioning can be economically viable in almost every size market.

Reports suggest that stations broadcast an average of 2 hours per day of local news. With 200 markets and an average of 3 stations per market at 360 days per year, if all news were captioned at all of the U.S. stations, it would cost \$43 million or \$72,000 per station. That figure is equivalent to the personnel cost of an executive secretary or receptionist at an average news station. For example, WRC captions 100% of their local news (37 hours weekly one of the highest in the country) in realtime. At \$16,000 per month and with 325,000 Deaf viewers in Washington, D.C., the cost to reach each Deaf person monthly is 5¢. Most news stations only transmit

It is our estimation that half of the stations which provide realtime closed captioning have found Corporate Sponsorship to offset the cost of their closed captioning for local news. Many of our clients have 100% sponsorship. While selling closed captioning is a very different process from selling a 30 second commercial spot, it is very possible. It is especially viable in the markets where typical 10 second banners after a 30 minute news show has a value greater than the \$60 it costs to provide the captioning. We therefore recommend that Federal grants be eliminated for the provision of closed captioning. Further, our pricing at \$100 - \$120 per hour compared to \$600 - 700 per hour currently paid by the Federal Government seems to have had the effect of inflating captioning prices while resulting in the networks paying more than our list price as their share.

Caption Quality Issues

Realtime closed captioning eliminates the common problems caused by newsroom computer-generated captioning. Realtime captioning avoids captioning the extraneous material such as stage instructions and anchor cues which often appear in computer-generated captions.

Late-breaking or emergency news **requires** realtime reporting since there usually is no time to prepare scripts. This type of programming is usually generated onsite. Although a majority of news stations (77%) provide closed captions for local news broadcasts, less than 10% of that group provide any type of closed captioning service for emergency broadcasts. According to our survey, television stations average 28 hours of emergency broadcasts per year. This number, however, can be as high as 468 per year for some particularly eventful time periods (floods, earthquakes) or geographical areas (tornados, hurricanes). The absence of adequate realtime closed caption coverage means that the Deaf cannot find out where to get water in the event of an emergency, what evacuation route to take when severe weather strikes, or how their friends and neighbors are faring during a crisis. The weather map or emergency crawl is not meant to replace the audio program but merely to provide the most basic/terse warnings. Two of our customers in Miami, WTVJ and WFOR, have taken the responsible positions to ensure full access through the provision of realtime closed captioning for emergency broadcasts. Many more stations, particularly those in high risk areas such as Tornado Alley of the Midwest, need to provide the Deaf community with equal access to emergency information during and immediately after the emergency. Frequently, this type of emergency programming is not sponsored and is provided by the station as a public service. Irrespective of the cost, the Deaf community needs this information no less.

Market Demand and Ratings

A rather large market demand exists for realtime over newsroom computer generated captioning. Furthermore, news station ratings can also increase when realtime closed captioning is used. An anecdote to illustrate: Denver's first realtime news captioning was on KUSA's local news broadcast. We then began to provide KCNC of Denver with realtime captioning for their local news broadcast. After some time, KUSA switched to newsroom computer generated captioning and dropped their realtime service. At one point, encoder attached to KUSA's teleprompter malfunctioned. No captions were delivered at all for KUSA's newscasts for approximately one week. This malfunction lasted almost a full week because no personnel at the KUSA station noticed the malfunction. Nor did any viewers call in to alert the station. The entire Deaf community had switched to KCNC. KUSA immediately restarted realtime captioning. Recently, the opposite occurred. KCNC lost their realtime captioning during a rewire error in master control. Immediately the station was flooded with calls. Realtime captioning is the overwhelming choice when the Deaf can choose between realtime and the newsroom computer generated product.

To further illustrate this effect on station ratings; if an average household has three viewers and the Deaf person in that household wants to switch to the newscast with realtime, the logical conclusion is that all three viewers will then switch to the news station with the realtime closed captions. Therefore, the 1% of the population controls about 3% of the households. Clearly, a market preference exists for realtime closed captioning. The "marketers" or providers of this product, the news station general managers, have chosen to provide newsroom computer generated captioning because of its relatively low cost and ease of production. While they know

that realtime closed captioning is the product they would prefer to deliver, they choose the more economic newsroom computer system so that they can remain competitive. One leading Seattle station manager reported to me that he was happy to have realtime required, since it would then force all stations to compete on an equal basis and at the same time allow them to provide the proper product to the Deaf community. Previous industry pricing at \$600 to \$700 per hour relegated realtime closed captioning to a “luxury” status only affordable by people on Department of Education Grants.

Personnel Availability

Realtime closed captioning utilizes the very best of those who have trained to be court reporters. The National Court Reporters Association established the Certified Real-Time Reporter program in 1990 setting minimum standards for CRR’s to be certified in this specialty. Persons attaining this certification are required to possess the knowledge, skill and ability to produce accurate translation in under five seconds with a required accuracy of 96% at speeds ranging from 180 - 200 words per minute⁴. Broadcast captioners are required to achieve better than a 98.5% accuracy rate. Error rates higher than 1% result in captions which are confusing and usually unintelligible. Caption Colorado captioners rank among industry leaders with a Total Error Rate standard (TER) of less than 1%. We currently employs 23 realtime closed captioners across the country with the capacity to do 23,000 to 35,000 hours of news per year. Over the next 18 months we could grow to provide 484,000 hours of realtime closed captioning per year. While such growth may seem unmanageable from a recruiting perspective, a recent reduction in litigation and related discovery activities in the legal profession has also reduced the demand for

⁴SHHH Journal, September/October 1993, p. 35.

existing court reporters significantly. It is fortuitous this shift in the public's attitude toward litigation will result in making more realtime closed captioners available to meet the new demand created by this law.

Equal Access to Public Airways

The public airways are provided to serve all people. Television providers have been given the privilege of using those airways and must see that its diverse population of viewers are served. The Deaf community does not understand why those using the public airwaves are not required to fully serve them as they are also part of the greater public.

Survey Results

Averages from all respondents

	Total hrs/wk.	Hrs. captioned On newsroom computer	Hrs. captioned using realtime
1. Local Live News	12.3	9.5	8.5
2. Public Affairs Programming, Live	.26	.03	0
3. Public Affairs Programming, to Tape	.9	.07	.01
4. Other Programming Produced Live	3.2	.1	.01
5. Other Programming Produced to Tape	.4	.01	0
6. Hours of Live Breaking News per year	28		
7. Cost per hour of realtime. \$99*			
8. Is the newsroom computer closed captioning corporate sponsored? Yes = 9% For realtime respondents Yes = 83%			
9. How much additional do you spend? n/a			
10. What percent of total words broadcast on the air are captioned? 71.5%			

* Our results tabulated 4 responses only: \$8/hr, \$40/hr, \$80/hr and \$300/hr.

Caption Colorado, Inc.
475 Seventeenth Street, Suite 450
Denver, Colorado 80202
ph: (303) 295-3376 fax: (303)-295-1441
CompuServe:70762,2703 Intnt: DepoCent@Lawyernet.com

Friday, March 29, 1996

William M. Senske
President
Caption Colorado Inc.
2135 S. Cherry, Suite 111
Denver, CO 80222

(please feel free to correct any addressing errors)

Dear Bill:

The 1996 Telecommunications Act will make closed captioning mandatory for all video programming by August 1997. But - before this Act becomes Law - you have an opportunity to shape the outcome. This survey addresses the current availability, use and cost of closed captioning.

Caption Colorado, Inc., the largest provider of closed captioning to the local news market, will be filing a formal comment with the FCC this month. **We would appreciate your input** and request that you complete this short survey and **return it immediately** to us by fax to **(303) 295-1441** or mail it to Caption Colorado, Inc., 475 Seventeenth St., Suite. 450, Denver, CO 80202. Perhaps it would assist you in preparing your comments or preparing your budgets to know that we provide realtime closed captioning for \$50-60 per half hour of news. Additional expenses of \$15 per hour exist.

If your station uses closed captioning, please complete all Questions and all three columns. If your station does not utilize closed captioning, indicate the total hours of programming per week in the first column only (Questions 1-5) . Then, complete Question 6 and please return the form to us.

Write the number of **hours per week of programming** under the appropriate headings.

	Total hours per week	Hours captioned on newsroom computer	Hours captioned using realtime
1. Local Live News	_____	_____	_____
2. Public Affairs Programming, Live	_____	_____	_____
3. Public Affairs Programming, to Tape	_____	_____	_____
4. Other Programming Produced Live	_____	_____	_____
5. Other Programming Produced to Tape	_____	_____	_____
6. Hours of <u>Live Breaking News</u> (i.e. weather, emergency or other non-programmed, live source of news. Hours per year _____)			
7. Cost per hour of realtime closed captioning \$ _____ per hour.			
8. Is the realtime closed captioning corporate sponsored? Yes _____ No _____			

If you use newsroom computer to caption, and attempt to provide full access to sports and weather through comprehensive preparation of scripts please answer the following:

9. How much additional do you spend **per hour of news** to prepare scripts in this manner? \$ _____
10. What percent of the total words broadcast on the air are captioned? (Estimate if not known) _____ %

If you have other information or comments, please feel free to call us @ **(303) 295-3376** or attach your comments to this survey and return it to us by fax. We would be happy to share our comments to the FCC with you upon your request. Thank you for your assistance.

Sincerely,

Bill Senske
President
Caption Colorado, Inc.